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Baker-Polito Administration Releases Fiscal Year 2018 Capital Budget Plan

\$2.26 billion plan focused on maintaining and modernizing existing assets, and making strategic and affordable investments across Massachusetts

CHELSEA – Today, the Baker-Polito Administration announced an \$8 million investment for the Chelsea Soldiers' Home for veterans as part of a \$199 million project included in the Fiscal Year 2018 (FY18) capital plan. The complete capital plan includes additional investments to maintain and modernize state assets and targeted funds for future growth. The plan will be funded with \$2.26 billion of General Obligation Bonds.

The FY18 plan continues to make investments in housing, higher education, transportation infrastructure and information technology upgrades. Significant funding is also included for grants that promote economic development, enhance workforce skills, create affordable housing opportunities, support critical environmental infrastructure and reinforce the Baker-Polito Administration's role as a strong partner to the Commonwealth's cities and towns.

The \$8 million investment for the Chelsea Soldiers' Home will begin the process of constructing a new long-term care facility in conjunction with the federal government, pending final approval from the Department of Veterans Affairs. The facility is one of two state operated soldiers' homes that provide both long-term care and domiciliary residential services. The long-term care facility in the Quigley Memorial Hospital opened in 1949 and offers long term care beds for veterans who served as far back as World War II. The current facility also provides independent living in the domiciliary for close to 200 veterans.

"The Commonwealth's capital plan is an important tool to fund critical state assets, like the Chelsea Soldiers' Home which supports our veterans and their families," **said Governor Charlie**

Baker. “Our administration is pleased to release this plan to continue investments in affordable housing options, transportation infrastructure, and workforce development initiatives that will have positive impacts throughout cities and towns across the Commonwealth.”

“This capital plan provides reliable and substantial support for Massachusetts’ 351 cities and towns,” **said Lieutenant Karyn Governor Polito.** “We are pleased to propose essential funding to our cities and towns for repairing local roads and bridges, upgrading IT infrastructure, improving ADA accessibility and restoring inland dams and seawalls.”

“The administration’s third capital budget plan remains focused on maintaining and modernizing our existing assets to ensure we are meeting the long-term needs of the Commonwealth,” **said Administration and Finance Secretary Kristen Lepore.** “Our capital budget is a strategic and affordable plan that invests in every community in the Commonwealth.”

The \$2.26 billion bond cap represents a \$70 million (3.2%) increase over FY17, which is in line with the recommendations of the Debt Affordability Committee. The total capital investment for FY18, after accounting for non-bond cap funding sources, will total over \$4.3 billion.

Link to the FY18 Capital Budget: www.mass.gov/capital

Projects in the FY18 Capital Plan will:

Maintain: 48% of projects in FY18 prioritize maintenance by repairing, reconstructing, or reconditioning existing assets to bring condition or performance to a safe and acceptable level.

Modernize: 28% of projects in FY18 renew existing assets to improve functionality, useful life or enhance service, capacity, or performance while limiting the expansion of the state’s asset footprint.

Target Growth: 24% of projects in FY18 address strategic objectives through creation of select new assets, or increase investment in priority areas to create value without expanding our state asset footprint.

Within the three strategic parameters that guided the development of this year’s plan, the projects funded focus on five major themes:

Maintaining and Modernizing Existing State Assets

The administration recognizes that it is important to take care of our current capital assets, which decreases the liability of potential costly large-scale repairs in the future. To achieve this goal, the administration has prioritized deferred maintenance projects across state agencies.

- \$836 million in bond cap for maintaining and modernizing the Commonwealth's transportation infrastructure.
- \$161 million for renovation projects at public higher education campuses.
- \$90 million to support maintenance at over 45,000 local housing authority units.
- \$47.1 million for energy renewal projects, leveraging additional \$12.5 million of borrowing covered by projected energy savings.
- \$34.6 million for deferred maintenance for state facilities and systems.
- \$15 million to preserve affordability at private developments.
- \$11.4 million to help municipalities repair and improve inland dams and seawalls.

Enhancing Workforce Skills and Economic Vitality

Projects will support economic growth initiatives in communities as well as programs to better equip the Commonwealth's workforce with the skills needed for jobs in today's economy.

- \$80 million for MassWorks grants that foster economic growth and help communities deliver on their economic development priorities.
- \$56 million for the Massachusetts Life Sciences Center.
- \$15 million for high schools, community colleges, and non-profit organizations to purchase equipment that supports workforce development skills.

Engaging and Supporting Communities

A key priority of the Baker-Polito Administration is serving as a strong partner for our cities and towns. Since taking office, the administration has significantly increased local aid and Chapter 70 education funding in the operating budget, and provided critical capital funding to support local projects.

- \$200 million in Chapter 90 funding for local road and bridge repairs.
- \$47.4 million for community grant programs led by the Executive Office of Energy and Environmental Affairs that support land protection, coastal resiliency, land use planning, and climate change adaptation efforts.
- \$11.5 million to support the Complete Streets and Municipal Small Bridge programs.
- \$2 million for Community Compact grants.
- \$1 million for municipalities to increase accessibility and comply with ADA regulations.
- \$350,000 for a bulletproof vest matching program for municipal police officers.

Optimizing the Value of Our Investments

The FY18 capital plan leverages significant outside funding sources from federal and local governments, and private sources, to maximize return on investments.

- \$343 million of state dollars paired with \$579 million through the Federal Aid Highway Program will be used to maintain over 10,200 state lane miles.
- \$30 million in state capital funds (\$75 million over the life of the project) for Boston Harbor dredging, which will be matched by \$55 million from MassPort and \$220 million from the federal government over the life of the project.
- \$8 million in state funding (\$70 million over the life of the project) to build a new long-term care facility for veterans served at the Chelsea Soldiers' Home. The total project cost is estimated to be \$199 million, of which 65% is expected to be reimbursed by the federal government, pending final approval by the Department of Veterans Affairs.

Driving Government Performance

As part of its goal to more efficiently deliver services to constituents, the Baker-Polito Administration's FY18 capital plan significantly funds projects that drive government performance.

- \$195 million for technology system upgrades across state government, including \$44 million for technology modernization projects at the Registry of Motor Vehicles and \$15 million in upgrades to the Commonwealth's cyber security system.
- \$29.6 million to maintain and improve state-owned parks, campgrounds, pools, and rinks.
- \$13.1 million to replace 370 state police cruisers and associated data terminals.
- \$3.9 million for strategic plans across agencies.

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